

# CIA, Contras and Drugs: Questions on Links Linger

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In the early summer of 1984, a wealthy Nicaraguan exile invited two representatives of the contra rebels fighting Managua's leftist government to her Miami home. Her aim was to broker a deal with a Colombian businessman that would help fill the rebels' empty coffers.

The hostess was Marta Healy, and the businessman was George Morales—a champion powerboat racer, socialite and big-league drug trafficker under indictment in the United States.

The contra representatives were Octaviano Cesar and Adolfo "Popo" Chamorro, Healy's ex-husband. Both were working with Eden Pastora, a

maverick revolutionary trying to open a southern front in the contras' guerrilla war from a base in Costa Rica, in addition to the contras based in Honduras on Nicaragua's northern border. The CIA had run out of money to support either group of contras, and Congress refused to provide more until the next year.

Despite their rift with the spy agency, Chamorro and Cesar said, they asked a CIA official if they could accept the offer of airplanes and cash from the drug dealer, Morales. "I called our contact at the CIA, of course I did," Chamorro said recently. "The truth is, we were still getting some CIA money under the table. They said [Morales] was fine."

The account from Chamorro and Cesar is one of the clearest examined.  
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ples of how groups fighting the Sandinista regime during the 1980s cooperated with drug traffickers and may have been traffickers themselves. It also illustrates lingering questions about how the CIA and other U.S. government agencies responded to such illegal activity.

U.S. officials, including the man who oversaw the contra operation at the CIA, dispute the rebel leaders' account that they notified the agency about Morales's offer. Duane "Dewey" Clarridge, who at the time was head of the CIA's Latin America division and is now retired, said he "certainly never dealt with Popo Chamorro," although he may have met him, and never knew Morales. The CIA told Congress in 1987 that it concluded in November 1984—or just a few months after the Miami meeting—that it could not resume aid to the Costa Rican-based contras or have other dealings with them because "everybody around Pastora was involved in cocaine."

The controversy over possible CIA or other official U.S. toleration of drug trafficking by Latin American allies has been around for more

than a decade. A broad congressional inquiry from 1986 to 1988, by a Senate subcommittee headed by Sen. John F. Kerry (D-Mass.), found that CIA and other officials may have chosen to overlook evidence that some contra groups were engaged in the drug trade or were cooperating with traffickers. But that probe caused little stir when its report was released.

Now, however, the issue has aroused intense new interest because of the publication in August by the San Jose Mercury News of a controversial series of articles that touched off a furor in the African American community and prompted investigations by the CIA, Justice Department and Congress. The California newspaper alleged that two Nicaraguan drug traffickers in California who sent money to CIA-backed contras played a critical role

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— Octaviano Cesar,  
contra representative

in launching the crack cocaine epidemic in black neighborhoods in Los Angeles and the rest of the country in the 1980s.

A Washington Post inquiry published Oct. 4 found that the two Nicaraguans, Norwin Meneses and Oscar Danilo Blandon, were not instrumental to the crack epidemic and probably contributed \$30,000 to \$60,000 of drug profits to the contras rather than the millions of dollars that the San Jose paper alleged.

No evidence has been found substantiating the accusation that the CIA organized or participated in drug trafficking by the contras as a way of raising money for the war, or that the agency and the contras targeted the African American community in the United States for sales of drugs. But in the early 1980s, when the CIA began modest funding of various Nicaraguan rebels who wanted to overthrow the leftist Sandinista regime in Managua, several existing contra groups were already getting support from Colombian and Central American drug traffickers, according to former CIA officials and congressional investigators.

Former CIA director William H.

Webster said in a recent interview that he was told in the late 1980s that before the CIA began funding the contras in earnest in 1983, "some contra groups desperate for money . . . turned to drugs." Later, he said, he learned that "some [contras] who were hired on for [CIA] contract work had drug activities that we didn't detect."

### CIA Records Checks

Webster, his successor, Robert M. Gates, and several former senior CIA officers all said they never heard of any direct involvement by CIA employees in encouraging or supporting contra drug trafficking. But a CIA spokesman said last week that with records checks still underway in the current internal investigation, he could not categorically say that no agency employee had ever been caught up in a drug case.

Jack A. Blum, a lawyer who helped run the Kerry investigation, said the Reagan administration should have realized early in the anti-Sandinista effort that the CIA had a responsibility not only to stop communism in Latin America but also to battle drugs there. "In starting a covert operation," Blum said, "no one at the top level really said, 'Whatever you are doing it better not help drug dealers.'"

A former senior CIA officer who worked with the contras said last week that from 1981 to 1984 agency case officers working in the field to build up the contra forces "weren't making themselves fully aware of drug activity. We were focused on building up" the contra organizations.

"Narcotics were not a big deal," said Clarridge, who got involved in 1981 when he was chosen to head the operations against the Sandinistas. A legendary operations officer

whose memoirs, "A Spy for all Reasons," will soon be published, Clarridge said his interest in drugs at the time was focused primarily on documenting cocaine trafficking by the leftist Sandinistas.

### Fading Memories

Any discussion of possible U.S. tolerance of, or support for, drug dealing more than a decade ago is made difficult by multiple problems, including the secrecy surrounding the original events, fading memories and the unreliability of accounts given by drug

dealers, guerrilla leaders and spies.

Nevertheless, the Morales case, as retold with new details in recent interviews with participants, seems to remain the best-documented example of a contra group cooperating with a drug trafficker and receiving substantial aid in return. According to Pastora and Chamorro, Morales—who was convicted in 1986 of drug trafficking and died in prison in 1991—contributed at least two airplanes and \$90,000 to the Pastora group, known by its Spanish initials ARDE.

In sworn testimony to the Kerry committee and in a separate court case before he died, Morales said he gave the airplanes and cash to the contras because he was promised by Chamorro that the contras would use their influence with the U.S. government to help with his legal problems. Although imprisoned, he told the Kerry committee that he had in fact received some legal help, but did not specify what that was.

Morales offered Pastora's fighters, who were stuck in remote jungle areas in Costa Rica south of Nicaragua that could only be resupplied by air, a deal that seemed too good to be true: a DC-3 airplane he had stashed in Haiti, to carry weapons and other materiel, along with cash for guns, boots and uniforms.

The money was vital because Pastora's troops, unwilling to join a CIA-engineered contra umbrella organization in Honduras north of Nicaragua, were about to disband. Pastora said the CIA had cut off his funding in May 1984—on the same day that a bomb exploded during a press conference he was giving at his base in Penca, Nicaragua, seriously wounding him.

In desperation, Pastora turned to his second-in-command, Chamorro, and Cesar, who spoke flawless English, to scour for funds. Chamorro said Pastora told them to "go anywhere on earth" to find money.

So the meeting set up by Healy with a wealthy, potential patron seemed heaven-sent, Chamorro and Cesar said. In return for his gifts, Chamorro and Cesar said, Morales asked for a face-to-face meeting with Pastora. They denied that drug trafficking was discussed.

But a July 26, 1986, State Department report to Congress said intelligence reports offered a different account. The report said an unidentified senior member of Pastora's organization had agreed to allow Morales to use contra facilities "in Costa Rica and Nicaragua to fa-

cilitate the transportation of narcotics. Morales agreed to provide financial support in exchange, in addition to aircraft and training pilots."

### Money From Morales

While it is unclear how much of that deal was implemented, there are signs that it went forward. In court testimony in 1990, Fabio Ernesto Carrasco, a Colombian drug trafficker turned government witness with immunity from prosecution, testified he had paid "millions" of dollars to Cesar and Chamorro from 1984 to 1986. Orders to make the payments, he said, came from his boss, Morales. Morales also told the Kerry committee that he sent \$4 million to \$5 million in drug profits to contra groups.

Independent evidence is not available to substantiate that Morales sent such large amounts of money or that the funds were used for the contra cause. Carrasco said the payments were part of a deal that took weapons to the contras, and the same planes were then used to transport cocaine from Costa Rica to the United States. Both Carrasco and Morales testified that some of the cocaine transported belonged to the contra leaders themselves, not Morales—an account that congressional investigator Blum said he believes.

Morales did eventually get his face-to-face meeting with Pastora, a former Sandinista fighter known as "Commandante Zero." The meeting, Pastora said in an interview this month, took place in Miami in the fall of 1984 and was also hosted by Healy. By that time, Pastora said, Morales had given his organization the DC-3, a Titan 404 aircraft and three cash donations totaling \$90,000.

"Everyone must have already known Morales was a narco," Pastora said. "I found out at that meeting, the only one I ever had with him." Healy did not return numerous phone calls and did not respond to messages left at her home.

Interviews and sworn testimony by others involved in the operations make clear that the CIA soon learned about the connection between the Pastora group and Morales, and about Morales's background. But accounts by the CIA and the former contra leaders differ sharply about the agency's reaction. The CIA accounts suggest the agency reacted to the information by halting dealings with the group. But the contras say the CIA signed off on

Morales and continued to cooperate with their operation, while not providing funds.

Clarridge acknowledged in a telephone interview that even though CIA funds stopped flowing to Pastora by June 1984, about the time of the Miami meeting with Morales, the agency continued its contact with the rebel leader. Alan Fiers, who replaced Clarridge as the CIA's top Central American hand in August or September of that year, told Congress three years later that the agency decided in the autumn that it could not again help Pastora because of drug dealing.

Speaking to the House-Senate Iran-contra committee in 1987, Fiers, who was then chief of the CIA Central American Task Force, said, "We knew that everybody around Pastora was involved in cocaine. We knew it from November of 1984 forward. We reported it . . . and we made a decision—one I defended ardently—that you just can't deal with this man."

Pastora and his aides say the agency retained ties to the ARDE operation. For example, the contra leader said, the planes Pastora obtained from Morales continued to land at a U.S. government-controlled section of Ilopango airport in El Salvador.

### Warning About Ties

Both Chamorro and Cesar said they discussed the Morales offer with CIA personnel before accepting Morales's airplanes and warned the CIA later about Morales's suspected ties to drug trafficking, but were never told to stay away. Cesar said he told a CIA officer at the Ilopango military air base. Chamorro said only he spoke to "my contact" at the CIA. Pastora said that, while he did not personally talk to the CIA, he understood his people, including Chamorro, had talked to Clarridge about it.

Cesar, in an interview, said he stood by his 1987 sworn testimony before the Kerry committee. In it he

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BY ROBERT A. REEDER—THE WASHINGTON POST

Senate Intelligence Committee Chairman Arlen Specter, center, talks with legislators at a hearing Oct. 23 on allegations of a CIA drug trade role.

said he passed on his suspicions about Morales to a CIA official. "And they basically told you that it was all right as long as you don't deal in the powder, is that correct?" Kerry asked.

"Yes," replied Cesar.

"I made a serious mistake in meet-

ing [Morales]," Cesar said. "But it was a mistake made in good faith, trying to help people who were fighting for freedom for our country."

*Farah reported from Managua, Nicaragua.*